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SUBJECT: EXTRACTIVE INDUSTRIES UPDATE

REF: A. KINSHASA 1500
[1](#)B. KINSHASA 1364

[1](#)1. (U) Summary. The extractive industries in the DRC have recently been rocked by legal actions, public denouncements and the deaths of several miners. Meanwhile, interest in exploring the DRC's petroleum reserve capacities continues. End summary.

GOLD AND DIAMOND SECTORS -----

[1](#)2. (U) Human Rights Watch issued a news release October 16 accusing elements of the Congolese Armed Forces (FARDC) of forcing Ituri civilians to mine gold and perform other involuntary tasks. This forced labor is a practice that Ituri militias are also widely believed to have imposed upon local populations.

[1](#)3. (U) Congolese media reported the October 8 deaths of four diggers due to the nighttime collapse of an underground tunnel in a diamond mining pit in Western Kasai. The miners were allegedly on the property illegally.

COPPER-COBALT SECTOR -----

[1](#)4. (SBU) A Congolese Military Prosecutor has issued indictments against three expatriate former Anvil Mining employees. The three are accused of complicity in the company's alleged logistical support for the Congolese military's October 2004 response to a disturbance by Mai Mai irregulars in Kilwa, Katanga province. More than 100 villagers are estimated to have died during this clash with the FARDC. Anvil received widespread, negative international press attention as a result of this incident. The company has denied involvement in acts that resulted in human rights violations and violence, and said in an October 18 press release that one of the named employees was not even in the DRC at the time of the Kilwa incident.

[1](#)5. (U) A Belgian court has issued an injunction forbidding Gecamines from disclosing to third parties confidential information and studies obtained from First Quantum in connection with the Kipushi mine in Katanga province. Gecamines recently launched a tender offer, and media report that thus far it has received 23 expressions of interest (reftel A).

PETROLEUM SECTOR -----

[1](#)6. (SBU) A Spanish company called Nesserger Ltd. signed a

petroleum production sharing agreement with the Ministry of Energy October 9 for rights to an area that is in Angolan territorial waters. Although the GDRC and Angola have discussed a joint development zone, which would give the GDRC shared deep-sea exploration rights in Angolan territorial waters (reftel B), DRC's Ministry of Energy officials report little, if any, progress on this agreement over the last few months. A Ministry of Energy petroleum expert told EconOff he considered the deal "bizarre," and said he thinks the company has a motive other than actually exploring, because the sum it proposed to spend for deep-sea exploration, USD 12 million, would be inadequate to perform the task.

17. (U) The Ministry of Energy, through private companies, plans to launch studies of DRC petroleum potential in Bandundu and Equateur provinces the week of October 16th, according to EconOff's contact. These areas form part of the Central Basin, one of the DRC's three potential petroleum reserves.

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